

UNITED STATES OF AMERICA
EASTERN DISTRICT GRAND JURY

ORIGINAL

UNITED STATES OF AMERICA,

-against-

SAVERIO GALASSO III,
also known as "Sammy,"
JOSEPH PISTONE,
also known as "Joe Baldy,"
MICHAEL DELUCIA,
also known as "Michael Fazio,"
ROBERT MISSERI,
also known as "Robert Mangano," and
GARY HENDRICKSON,

Defendants.

United States Courthouse
Uniondale, New York

April 6, 2000

APPEARANCES:

GARY BROWN, ESQ.
JAMES MISKIEWICZ, ESQ.

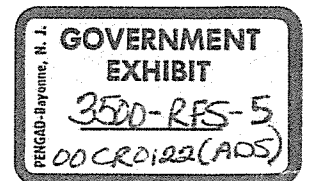
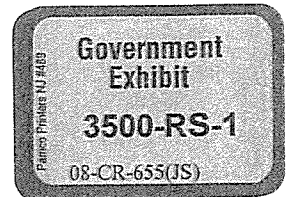
Assistant U.S. Attorneys

WITNESS:

SPECIAL AGENT ROBERT F. SCHELHORN

Grand Jury Reporter:
Lisa H. Edelstein, RPR

Proceedings recorded by mechanical stenography, transcript
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1 (At this time the witness entered the Grand Jury
2 room.)

3 MR. BROWN: The foreperson will swear you in.

4 THE FORELADY: Good morning.

5 Do you swear to tell the truth, the whole truth
6 and nothing but the truth?

7 THE WITNESS: I do.

8 THE FORELADY: Have a seat.

9 EXAMINATION BY

10 MR. BROWN:

11 Q Sir, could you please state your name and
12 occupation, please.

13 A My name is Robert F. Schelhorn. I'm an FBI
14 agent.

15 Q Spell your last name.

16 A S-C-H-E-L-H-O-R-N.

17 Q For how long have you been a special agent with
18 the Federal Bureau of Investigation?

19 A A little over four years.

20 Q What area of specialty or expertise have you
21 developed during that period?

22 A I spent about three and-a-half years working
23 Russian organized crime and probably about seven or eight
24 months working traditional organized crime.

25 Q What is traditional organized crime?

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1 A Primarily, as most people know it, wise guys.
2 Traditionally, there's five families within the New York
3 area. Most people know them as the Colombo Family, Genovese
4 Family, Gambino Family, Bannano Family, Luchese Family.

5 That's the families that I work. It encompasses
6 the circle of organized crime.

7 Q That would be the group that's traditionally the
8 Mafia or La Cosa Nostra?

9 A Correct.

10 Q You mentioned five families. Do those families
11 have a leadership structure?

12 A Correct.

13 Q Who's the top member of that leadership
14 structure?

15 A Each specific family has what's called a boss.

16 Q The bosses of the five New York families working
17 together is called what?

18 A If they work together, it's commissioner.

19 Q The commissioner; correct?

20 A Correct.

21 Q Now, the Colombo Family, you indicated, is one of
22 those families; correct?

23 A Correct.

24 Q Is it fair to say that the information you're
25 going to give us about the Colombo Family is pretty much

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1 true about all the families, how you work, how you get in,
2 how you get out, that sort of thing; correct?

3 A Correct.

4 Q What is a made member?

5 A A made member is a person who has, over time,
6 demonstrated that he's a good earner for the family, a
7 person that has made a substantial amount of money, who's
8 committed a substantial amount of time towards working in
9 the arena of crime and a person who the family thinks will
10 continue to demonstrate a loyalty to that family.

11 Q Can you distinguish between a made member and an
12 associate?

13 A Yes.

14 Q Please do.

15 A A made member is a member who's sworn to the
16 creed of that specific organized crime family. It's a
17 ceremonial process, which for the most part does not happen
18 to the majority of people. It's just people that are
19 considered the higher ranking individuals in a specific
20 family.

21 Q Is it fair to say there's an entire ceremony that
22 they go through?

23 A Correct.

24 Q I believe something is burned in their hand?

25 A Yes. You may hold a picture of a saint, which is

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1 burned in your hand. They actually may prick your finger
2 until blood comes out of your finger.

3 It's all done before -- generally, there's a gun
4 on the table. It's a ceremonial process.

5 Q As part of that ceremony, one takes the oath
6 known as omerta, O-M-E-R-T-A; correct?

7 A Yes.

8 Q That is the swearing of allegiance to the family
9 for life; correct?

10 A Correct.

11 Q By contrast, associates to La Cosa Nostra
12 Families are what?

13 A Generally unmade members. They want to be people
14 that are on the fringes of the group, people that do work
15 for these made members, who report underneath to the
16 hierarchy. They're at the lower end.

17 Q Is it fair to they that associates of a crime
18 family work for that family and pay monies up to them and
19 work under their protection; correct?

20 A Correct.

21 Q The group that we are working primarily consists
22 of associates; correct?

23 A Correct.

24 Q When you get a group of made members or
25 associates together, that's referred to as a crew?

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1 A Correct.

2 Q Have you been investigating a crew of Colombo
3 Family associates?

4 A Yes.

5 Q How long have you been conducting that
6 investigation?

7 A The Bureau, since 1994.

8 Q You've been involved for how long?

9 A I've been involved in it for about seven months
10 with this specific group.

11 Q During the seven months that you've been looking
12 at this crew, what methods and what steps have you taken to
13 investigate them?

14 A Numerous interviews, surveillances, interviews
15 with witnesses, conversation with other law enforcement
16 personnel.

17 Q Have you also attempted, in some cases
18 successfully, to recover physical evidence?

19 A Yes.

20 Q That has been through search warrants and other
21 means; correct?

22 A Yes.

23 Q Tell us, this crew that you have been
24 investigating -- first of all, who is Saverio Galasso?

25 A Saverio Galasso is what's called -- I used the

1 term earner before. He's a very big earner for the Colombo
2 Family.

3 He's kind of born into the organized crime world.
4 His dad is an associate of Sony Frances (phonetic), who's a
5 captain in the Colombo Family.

6 Q Let's talk about Sony Frances. First of all, you
7 said he's a captain in the Colombo Family?

8 A Correct.

9 Q What relationship does he have with the crew that
10 you've been investigating?

11 A He's -- on the hierarchy scale, he's the boss of
12 that specific crew.

13 Q So fair to say that he either directly or
14 indirectly controls many of their actions; correct?

15 A Correct.

16 Q If you're an associate of an organized crime
17 crew, do you owe any money to the family with which you're
18 associated?

19 A Yes.

20 Q How does that work?

21 A It's pretty well understood within the organized
22 crime arena that 10 percent of your illegal -- the proceeds
23 of your illegal activity are kicked up to whoever you work
24 for.

25 It goes from you, up to the person that you work

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1 for, up to the boss, up to the captain.

2 Q What percentage are you generally required to
3 pay?

4 A Traditionally, it's 10 percent.

5 Q You pay 10 percent of criminal activities; right?

6 A Yes.

7 Q If you had a job as a truck driver, you don't pay
8 part of your salary?

9 A No.

10 Q But if you do a stick-up, you do pay?

11 A Yes.

12 Q That's acting under the protection, essentially,
13 of that family?

14 A Correct?

15 Q Just before we go further, you indicated there's
16 an individual named Sam Galasso. I guess Sammy; correct?

17 A Yes.

18 Q His father has the same name; correct?

19 A Correct.

20 Q The individual we are looking at is Sammy
21 Galasso, III?

22 A III.

23 Q His father, Sammy Galasso, Jr. is also an
24 associate of Sony Frances?

25 A Correct.

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1 Q Fair to say of the crew and associates you've
2 been looking at, Sammy Galasso carries the most weight? In
3 other words, he's the most connected to the family?

4 A Right.

5 Q For the convenience of the Grand Jury, we'll
6 refer to that group as the Galasso crew. Is that okay?

7 A That's fine.

8 Q First of all, who are the members of that crew?

9 A Underneath Sammy Galasso would be Robert Misseri,
10 Joseph Pistone, who's better known as Joe Baldy, Peter
11 Pistone, Joseph's brother, Michael DeLucia and Gary
12 Hendrickson.

13 Q These individuals were all associates that work
14 with the crew; correct?

15 A Correct.

16 Q Can you tell me, in general, the kinds of
17 activities that the crew has carried out, based on your
18 investigation?

19 A Primarily the crew would carry out white collar
20 crimes, which included telephone scams, extortions, loan
21 sharking, in this case, murder and arsons -- and arson, I
22 should say.

23 Q You indicated that the associates owe a 10
24 percent contribution back to the family. What happens if
25 they don't pay the 10 percent?

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1 A They have got problems at that point. It's -- in
2 the organized crime arena, if you don't pay your kickback,
3 the losses can be -- could be severe.

4 Q We are not talking about civil litigation;
5 correct?

6 A No. This is not done in a courtroom. It's kind
7 of understood if you don't pay up, you're going to have
8 problems which can be --

9 Q You can take a beating --

10 A And death.

11 Q -- or you can get killed; correct?

12 A Correct.

13 Q In the proposed indictment, we refer to an
14 individual as John Doe, who is a member and leader in the
15 Colombo Family. The Grand Jury needs to know the identity
16 of who that person is.

17 Would that be Sony Frances, who you described
18 earlier; correct?

19 A Correct.

20 Q He, again, was the intermediary between the
21 Galasso crew and the Colombo Family?

22 A Correct.

23 Q I want to begin by asking you about an individual
24 by the name of Louis Dorval (phonetic). Based upon your
25 investigation, Agent, who was Louis Dorval?

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1 A Louis Dorval was an associate that ran with both
2 the Gambino Family and the Colombo Family. He did a little
3 freelance work.

4 When I say freelance, he worked both crews at the
5 same time.

6 Q Going back to approximately 1994, did Louis
7 Dorval have some problems?

8 A Yes. Louis was indicted on federal Rico charges
9 for various crimes, which included counterfeiting, robbery,
10 et cetera.

11 Q Based on information you received from at least
12 one confidential source of information, did those problems
13 include the fact that he was seen as a weak link?

14 A Correct.

15 Q What does that mean?

16 A Louis was -- being that he was indicted on
17 federal charges, he was -- he was -- he had a lot of
18 exposure that could hurt the organized crime world.

19 We were advised by witnesses that he had a big
20 mouth. He used to shoot off his mouth. He was known have a
21 big mouth.

22 Q So that would cause some concern for a crime
23 family like the Colombo Family?

24 A Most definitely.

25 Q In addition to that, you learned of later

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1 problems, but we'll come back to that.

2 A Correct.

3 Q What happened to Louis Dorval in or about August
4 of 1994?

5 A Louis's body wound up floating in the Atlantic
6 Ocean about 30 miles offshore of Long Island. He was killed
7 and placed in a Tufpin (phonetic) toolbox. If you've seen
8 them at Home Depot, it's about two by three by two.

9 Q How was that box recovered or discovered?

10 A The box was found floating offshore of Long
11 Island. I believe it was a police officer on his day off on
12 a fishing trip.

13 Q The Coast Guard recovered the box?

14 A Correct.

15 Q Inside, they found Mr. Dorval's body?

16 A Correct.

17 Q Has there been a determination as to what caused
18 Mr. Dorval's untimely demise?

19 A Yes.

20 Q What was that?

21 A He was shot in the head.

22 Q Was the bullet recovered?

23 A Partial pieces of the bullet were found to be in
24 Louis's head.

25 Q Was a ballistics analysis conducted on the

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1 portions of the bullet that were collected?

2 A Yes.

3 Q What determinations were made about the kind of
4 weapon used to kill Louis Dorval?

5 A That bullet came from a revolver.

6 Q I'm going to show you what's been marked as Grand
7 Jury's Exhibits 1 through 4 of today's date. Can you tell
8 us what these are?

9 A Yes. These are photos of Louis's body packed in
10 a Tufpin toolbox located, at this point, I think at one of
11 the Fire Island -- it's where the -- I'm sorry -- Suffolk
12 County Police Department brought Louis's body back to the
13 coast and his body was left on the trailer prior to going to
14 the Medical Examiner's Office.

15 Q Is it fair to say, based on your investigation,
16 that these photos accurately depict the way Louis Dorval
17 looked when he was found in the box; correct?

18 A Definitely.

19 Q That goes down to including the kind of clothing
20 he's wearing and the position he's in and whatnot?

21 A Correct.

22 MR. BROWN: I'm going to hand this to the
23 foreperson. I'd ask you to look at them and have them
24 circulated, if you would.

25 As I'm passing it around, I will continue the

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1 questioning, if it's okay.

2 Q Did there come a point in time, actually fairly
3 recently, when you developed a lead or a break in the case
4 of the murder of Louis Dorval?

5 A Yes.

6 Q What was that break?

7 A An individual by the name of Peter Pistone, who I
8 had mentioned earlier, had contacted the Nassau County
9 Police Department that he had some information regarding an
10 individual that was killed and his body was placed out to
11 sea.

12 Q At the time that Peter Pistone called in, where
13 was he and why was he there?

14 A He was Upstate, New York, close to the Canadian
15 border. He had been charged on a state arson charge by
16 Nassau County.

17 Q He had been convicted of that charge at that
18 time?

19 A Correct.

20 Q Do you know how much time he was facing as a
21 result of that?

22 A I believe it was three to six years.

23 Q Is it fair to say that he came in and started
24 providing information to law enforcement?

25 A Correct.

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1 Q It included some information about Louis Dorval?

2 A Correct.

3 Q Have you debriefed Mr. Pistone about Louis

4 Dorval's death?

5 A Yes.

6 Q Has he told you what he knows about it or has he
7 told you about that incident?

8 A Yes, he has.

9 Q Before we continue with that, I would ask you
10 what has he done with regard to accepting responsibility for
11 any role he might have had in the death of Louis Dorval?

12 A Peter Pistone has taken a plea on the federal
13 level as an accessory after the fact.

14 Q To?

15 A To the murder of Louis Dorval.

16 Q Is it fair to say that as a result of that, he
17 faces far more time than he did on the state arson charges;
18 correct?

19 A Yes.

20 Q Let's start at the beginning. What did Peter
21 Pistone tell you about Louis Dorval, what he knew about him
22 and how he died, Louis?

23 A Peter had explained to us that Louis had had some
24 problems with the -- with the people he ran with, in that he
25 had a big mouth and was shooting off his mouth and that he

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1 was doing drug deals which he wasn't kicking up for.

2 And ultimately he wound up paying the price where
3 his body was -- the end result was his body was found
4 floating out in the Atlantic Ocean.

5 Q Where did Peter Pistone begin the night when
6 Louis Dorval died?

7 A He stated that he was in his residency in
8 Farmingdale when his brother, Joseph, and Joseph's friend,
9 Robert, had come over to their house, over to Peter's house,
10 picked him up in a Blazer and then proceeded to go to
11 Westbury to Sam Galasso's office, where they were, at that
12 time, to meet up with Louis Dorval, the deceased.

13 At that time --

14 Q Let me stop you for a second, Agent. You
15 mentioned Joseph Pistone. In the proposed indictment,
16 that's Joe Baldy; correct?

17 A Yes.

18 Q You mentioned Robert. That's Robert Misseri
19 mentioned in the proposed indictment?

20 A Yes.

21 Q They traveled together with Peter to Sam
22 Galasso's office?

23 A Correct.

24 Q They met Louis Dorval there?

25 A Correct.

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1 Q Now, at that time, according to what Peter told
2 you, what was he under the impression was going to happen
3 that night?

4 A Well, Peter knew that generally when they
5 worked -- when they went out with Louis and the four of them
6 were together, that there was going to be trouble at one
7 point, that somebody was likely going to get beat up.

8 Q What kind of -- what do you mean? Why would
9 somebody get beat up?

10 A Generally, these are the type of guys that would
11 travel with gloves in their pocket when they went out at
12 night, solely used to put a beating on people.

13 Q That was generally in connection with some scheme
14 or extortion or something like that?

15 A Yes.

16 Q Peter did not know that something was going to
17 happen to Louis? He thought Louis was going to help with
18 the job that they were doing; correct?

19 A Correct.

20 Q According to Peter, what happened next? After
21 they picked up Peter, what happened next?

22 A His brother, Joe Baldy, advised Peter, who was
23 now driving, to drive to the Cafe Royale, an adult
24 entertainment strip club in Farmingdale on Route 109,
25 because he needed to look for someone.

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1 Peter proceeded to drive to the club, at which
2 time Joe then told him, "The person I'm looking for is not
3 here. Drive up to Allen Boulevard in Farmingdale," which is
4 at that point about a mile away.

5 Q What kind of vehicle were they driving that
6 night?

7 A They were driving a 1990 Chevy Suburban.

8 Q Who owned that vehicle?

9 A Joe Baldy's girlfriend at that time, Michelle
10 Fortus.

11 Q Michelle F-O-R-T-I-S?

12 A T-U-S.

13 Q Have you interviewed Michelle Fortus about that
14 car?

15 A Yes.

16 Q Has she owned it since it was new?

17 A Yes.

18 Q Is it fair to say, she indicated Joe Baldy
19 borrowed it from time to time when they were dating;
20 correct?

21 A Correct.

22 Q When they are driving and get near Allen
23 Boulevard --

24 A In Farmingdale.

25 Q -- what's the seating arrangement?

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1 A Peter Pistone is driving.

2 Q Who else is in the car and where are they
3 sitting?

4 A Peter Pistone is driving the car. At this time
5 Robert Misseri is in the driver passenger seat, Joe Baldy's
6 in the rear, as well as Louis Dorval.

7 Q We got Louis and Joe in the back, Robert in the
8 passenger seat?

9 A Correct.

10 Q According to Peter Pistone, what happened?

11 A They drive around Allen Boulevard, within the
12 area right there, for a few minutes and then at one point,
13 as Peter's driving, he hears a gun go off, a loud shot.

14 Q Before the gun, did he hear someone say something
15 to Louis Dorval?

16 A Yes, he did. He recalls someone asking Louis to
17 get something out of the compartment spot in the back of the
18 Blazer.

19 Q So the cargo area in the back of the Blazer?

20 A Correct.

21 Q Which you reach by turning around over the back
22 seat?

23 A Correct.

24 Q After Louis Dorval turns around to get something
25 in the back seat, what does Peter Pistone hear next?

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1 A Peter hears a loud shot echoed throughout the
2 car.

3 Q He turned around to see what?

4 A He turns around to see Joseph, his brother, Joe
5 Baldy, now with a revolver in his hand.

6 Q Where is Louis?

7 A Louis is now slumped over the back seat of the --
8 of the Blazer, with his head into the cargo area.

9 Q After he sees Louis Dorval presumably shot dead,
10 laying over the back seat, what is Peter Pistone, who's
11 behind the wheel, told to do?

12 A Peter Pistone at this time is told to look
13 straight ahead and keep his mouth shut.

14 Q Who tells him this?

15 A Both Joseph, his brother, and Robert Misseri,
16 who's in the front seat.

17 Q Is it fair to say that Peter Pistone was close
18 with Louis Dorval?

19 A Peter -- Peter's family, they had lived next to
20 one another when they were growing up as kids.

21 Q So he was understandably upset at this point?

22 A Oh, definitely.

23 Q But it's fair to say that both Robert and Joe
24 Baldy tell him, "Calm down. Keep driving"?

25 A Correct.

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1 Q Where is he directed to go?

2 A At this point he's directed to drive on the same
3 block up to -- there's a motorcycle shop on Allen Boulevard
4 in that area and he is told to pull the car into the
5 motorcycle shop, at which point before the car even stops,
6 Robert Misseri jumps out of the car. Joe Baldy jumps out of
7 the car and they go into the bushes where they have a Tufpin
8 toolbox placed at this time.

9 Q What happens next?

10 A Then Joseph, Joe Baldy, opens up the trunk of the
11 vehicle and now proceeds to pull Louis's body from the
12 truck, out of the back of the truck, and him and Robert
13 proceed to place the body into the toolbox.

14 Q Placing the body into the toolbox involves what?

15 A Louis was about a 200-pound man and a weight
16 lifter. Getting him in this two by three by two box was a
17 task itself.

18 Peter describes it, he hears cracking noises
19 coming from the back of the truck.

20 Q Who is it that's stuffing Louis's body into the
21 box?

22 A Both Robert and Joe Baldy are crunching Louis up
23 to put him in the box.

24 Q After they get him into the box, what is done
25 with the body in the box?

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1 A The box is then reloaded into the Blazer and
2 Peter is advised then to drive straight down Allen Boulevard
3 to County Line Bowling Alley in Farmingdale.

4 Q What happens then?

5 A At that point Robert Misseri makes an attempt to
6 talk to Joseph Baldy and Joe tells him, "Not right now."
7 When the car stops, Robert jumps out of the car and proceeds
8 to go to his personal vehicle, which is now parked at the
9 County Line Bowling Alley.

10 Peter is distraught at this point and pleads with
11 Joseph that he wants to go home. He wants to get out of
12 here, but Joe threatens him that he's going to stay with
13 him.

14 Q What do they do from there?

15 A At that point Joe tells Peter to drive the car to
16 Massapequa, down by the shore, by Dick & Dora's Restaurant.

17 Q What's waiting for them when they get there?

18 A When they get to Dick & Dora's Restaurant,
19 there's a personal family boat, personally owned family
20 boat. Joe goes to the slip where the boat is parked and
21 drives the boat around onto the beach and Peter's told by
22 Joe to help him load the body, load the body off the truck
23 onto the boat.

24 Q Have you independently verified that, in fact,
25 the Pistones owned a boat at that time?

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1 A Yes, we have.

2 Q Once they get on the boat, what do they do?

3 A Prior to getting on the boat, as they unload the
4 body, Peter recalls that as they went to take the body out
5 of the truck, the tailgate straps from the truck, due to the
6 weight of Louis's body, the tailgate straps break and the
7 rear tailgate door smashes off the bumper.

8 After this happens and the cooler is now on the
9 ground, Joe advises Pete, "Load the body on the boat." Pete
10 loads the body on the boat with Joe.

11 Q Okay.

12 A And they proceed out to -- off of the Massapequa
13 shoreline.

14 Q How long do they go out in the boat?

15 A They -- Peter recalls they were out for hours,
16 endless hours.

17 Q All this happens during the day or night?

18 A Night.

19 Q So it's after dark?

20 A Yes.

21 Q Once they get out to a certain spot in the water,
22 what happens?

23 A Once they're out for a good distance, Peter
24 recalls seeing buoys floating, but they're out for hours.
25 Joe says, "This is the spot we are going to dump the body

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1 over."

2 Q They dump the body over the side in the box;
3 correct?

4 A Yes. They load the body up onto the boat. They
5 load it up onto the back of the boat and -- and proceed to
6 place the body -- the box into the water.

7 Q According to Peter, what do they do to the box at
8 that time?

9 A To ensure -- Peter describes to ensure the fact
10 that Joe will not have any problems with Peter ratting on
11 him, he forces Peter to shoot holes in the box and he does
12 that by placing his hand over Peter's hand and they shoot
13 extra rounds into the box, at which time now Joe tells
14 Peter, "Now there's no chance that you're going back to say
15 anything to anyone." That he's in it for shooting the gun
16 into the box.

17 Q What was the purpose of shooting holes into the
18 box?

19 A That was just nothing more than insurance on
20 Joe's part to make sure that in case Peter decided to rat on
21 him, that Joe would have some leverage over Peter by saying,
22 "You were in it as well as I was."

23 Q I'm sorry. I asked the wrong question.
24 What was the purpose of the holes?

25 A The holes will make it sink.

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1 Q Make the box sink?

2 A Yes.

3 Q Did the box sink?

4 A No. The box never sank.

5 Q Why?

6 A The way the box is built, the box retains air on
7 the sides. The box never filled up with water and stayed
8 afloat.

9 Q Essentially, this is made of hollow plastic
10 panels. Therefore, one hole in the box or two holes didn't
11 make it sink?

12 A Yes. Just a giant cooler.

13 Q Have you or other agents examined that box?

14 A Yes.

15 Q Were there bullet holes in the box --

16 A Yes.

17 Q -- as Peter described?

18 A Consistent with what Peter's statements were.

19 Q According to Peter, after they dumped the box,
20 shot the holes, what did they do?

21 A At that point then they make their way back to
22 the shoreline. After getting back to the shoreline, Joe
23 drives Peter back to his home in Farmingdale.

24 Q Subsequent to dumping the body and this incident
25 ending, did Peter get paid any money for his role in it?

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1 A Yes. Peter got a few hundred dollars by both
2 Robert Misseri and Joseph.

3 Q According to Peter Pistone's account, were Joseph
4 and Robert suddenly flushed with cash after Louis's death?

5 A Yes, they were.

6 Q Why?

7 A After Louis's death, Peter describes that he was
8 told by his brother, Joseph, that they went back to Louis's
9 house in Queens and robbed his apartment, which at that time
10 was full of a substantial amount of cocaine.

11 Q So they sold off the coke and made some money;
12 correct?

13 A Correct.

14 Q Have there been interviews conducted of a woman,
15 who was the girlfriend of Louis Dorval at that time?

16 A Yes, there have.

17 Q What is her name?

18 A Janice Triesta (phonetic).

19 Q According to Ms. Triesta, what happened to Louis
20 Dorval's apartment after his death?

21 A Louis's apartment was robbed. She knew of a
22 substantial amount of drugs that were held in Louis's
23 refrigerator.

24 Q She said what happened to those?

25 A The drugs were gone.

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1 Q In fact, she went back to get them; correct?

2 A Yes.

3 Q They were gone?

4 A Yes.

5 Q Again, it's consistent with what Peter tells you
6 about how they get the money?

7 A Correct.

8 Q After the death of Louis Dorval, did Peter
9 Pistone learn why Louis was killed?

10 A Yes, he had.

11 Q What did Joe Baldy tell him about what?

12 A Joe Baldy told him that -- that Louis was a
13 problem, in the sense that he had a big mouth, that he had
14 recently got indicted by the feds and that he wasn't kicking
15 up to the right people that he was supposed to be kicking up
16 to. He wasn't kicking up, at all.

17 Q Are you certain that Joe Baldy said he had been
18 indicted?

19 A No. Excuse me.

20 Q You learned that independently; yes?

21 A Yes.

22 Q According to what Peter learned from Joe Baldy,
23 who ordered Louis Dorval killed?

24 A That would be who Peter referenced as the old
25 man.

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1 Q Who is the old man?

2 A Which was Sony Frances.

3 Q Why is it that Joe Baldy would carry this murder
4 out? Why was he responsible?

5 A Joe Baldy was the person who stood up or vouched
6 for Louis initially when he became part of the -- part of
7 the underworld, the organized crime world.

8 Q Based on your understanding of how that world
9 works, is it fair to say that Joe had to clean up a problem
10 he caused?

11 A Yes, it was. Louis's problems now became Joe's
12 problems.

13 Q So either he kills Louis or what happens then?

14 A Or then it was either Joe kills Louis or Joe
15 would have had problems himself.

16 Q All right. Let's move ahead a little bit.

17 Calling your attention to February 15th of 1998,
18 can you tell me what, if anything, happened to any members
19 of this crew that night?

20 A Yes. Joseph Baldy, Peter Pistone and Gary
21 Hendrickson were arrested by -- were arrested by the
22 Brookville Police Department for an arson that had taken
23 place off of Old Brookville Road in Brookville.

24 Q How was it they came to be arrested?

25 A They had -- they were stopped by the local police

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1 up there exiting the scene of this kennel that had been lit
2 on fire. They were stopped by police officers, at which
3 time they tried to state to the police officer that there's
4 a fire back aways and that they were going to the police
5 department.

6 The police officer actually let them go and then
7 had stopped them shortly thereafter, smelling gas and made
8 just -- was speaking with them and realizing that their
9 story didn't make any sense.

10 They were subsequently arrested for the arson of
11 that kennel.

12 Q Let's focus on that kennel for a second. Was
13 that near any particular real estate development?

14 A Yes. The kennel was backed up right against the
15 piece of land that was now being -- it was now being leveled
16 for the construction of new high-priced residential
17 construction, residential homes.

18 Q What was the name of the developer?

19 A Angelo Pironi.

20 Q P-I-R-O-N-I?

21 A I believe so.

22 Q What kind of homes was Mr. Pironi building?

23 A These were million-dollar homes.

24 Q So high end?

25 A High end, very high end, very large homes.

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1 Q Is it fair to say that you've developed evidence
2 that Mr. Peroni didn't like his million-dollar homes being
3 near a kennel; is that correct?

4 A That's correct.

5 Q What evidence have you gathered in that respect?

6 A There's a letter that was sent out to the
7 immediate neighbors on behalf of Angelo's wife. That had
8 stated there was a problem at the time with the barking
9 dogs, that there were code violations and things of that
10 nature that hindered the construction of these new homes.

11 Q Is it fair to say that Mr. Pironi and his wife
12 made some efforts to get zoning regulations in place that
13 would close down the kennel?

14 A That's right.

15 Q Is it fair to say that those efforts came to a
16 halt?

17 A That's correct.

18 Q I show you Grand Jury's 5. Can you tell me what
19 that is?

20 A This is a letter. This is a letter that was sent
21 out by Angelo Pironi's wife, which basically was sent to the
22 neighbors. That states that --

23 Q Read the third paragraph.

24 A There was zoning issues.

25 "I would like to try to organize a meeting so

1 that we may discuss our rights as taxpayers of this
2 community and just what we are able to do about this
3 unwanted situation. Each one of us should investigate what
4 will happen to the value of our homes. I am finding through
5 my experience in trying to sell new homes next to the kennel
6 that people do not want to live near these barking dogs. I
7 believe the village should impose restrictions possibly
8 requiring full enclosure of the kennels with soundproofing."

9 Q That was written by Mr. Pironi's wife --

10 A Correct.

11 Q -- approximately 6 or 8 months before the arson?

12 A Yes. This is about -- about 11 months, 10 or 11
13 months.

14 Q They were unsuccessful in closing down the
15 kennel; is that correct?

16 A Correct.

17 Q Now, Sammy Galasso, you mentioned him earlier?

18 A Right.

19 Q Where does he live?

20 A Sammy Galasso lives in a high-end, newly
21 constructed development in Woodbury that was built by Angelo
22 Pironi.

23 Q That's interesting. Now, did Mr. Galasso, based
24 on his statements, buy that home?

25 A No. He has told agents that he presently rents

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1 that home.

2 Q For how much does he rent that home for?

3 A \$4,000 a month.

4 Q According to what Mr. Galasso says, he pays

5 \$4,000 a month rent for this luxury home built by

6 Mr. Peroni; correct?

7 A Correct.

8 Q According to your investigation, does Mr. Galasso

9 have legitimate income that would justify paying \$4,000 a
10 month in rent?

11 A No.

12 Q So fair to say, he has some relationship with

13 Mr. Peroni; correct?

14 A Definitely.

15 Q Now, the night of this arson in which the kennel

16 was attempted to be burned down, did anyone see anything

17 that related to Mr. Galasso?

18 A The -- yes. The gas station attendant at an
19 Amoco Gas Station that was located in close proximity to the
20 kennel that was burned recognized the individuals.

21 Q Well, he recognized which individuals?

22 A Mr. Galasso. I'm sorry. I stand corrected. He
23 recognized Mr. Galasso's vehicle and recognized, which the
24 Nassau County Police Department has -- has identified three
25 individuals by the names of Gary Hendrickson, Peter Pistone

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1 and Joseph Pistone.

2 Q Is it fair to say that Gary Hendrickson and Peter
3 Pistone both pled guilty to the arson in State Court?

4 A Correct.

5 Q Those charges are still pending against Joseph
6 Pistone?

7 A Correct.

8 Q It's also fair to say that Gary Hendrickson has
9 admitted his role in the arson --

10 A Correct.

11 Q -- in several different forums?

12 A Yes.

13 Q And Joe Baldy Pistone has also admitted his role
14 in the arson?

15 A Correct.

16 Q Is it fair to say that Gary Hendrickson, Joe
17 Baldy and now Peter have all indicated to you or other
18 agents that Sammy Galasso ordered this done?

19 A Correct.

20 Q It was because the builder couldn't sell the
21 houses next to the kennel; correct?

22 A Correct.

23 Q Peter Pistone has described what happened that
24 night?

25 A Yes, he did.

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1 Q According to Peter Pistone, who acted as lookout
2 while the three men lit the building on fire?

3 A Both Sam Galasso and Robert Misseri.

4 Q He described Sam Galasso being there in his car?

5 A In his -- at that time, in his Mercedes Benz.

6 Q That was similar to the vehicle seen by the gas
7 station attendant; correct?

8 A Correct.

9 Q In addition to that, he described Robert Misseri
10 being there in his Mercedes?

11 A Correct.

12 Q That the three cars stayed in contact through
13 some type of walkie-talkie device?

14 A Correct.

15 Q Did the arson take place?

16 A Yes.

17 Q Did he light the building on fire?

18 A Yes.

19 Q Do you know if it was damaged or destroyed?

20 A It was damaged, yes.

21 Q This is a dog kennel which affects interstate
22 commerce in the sense that it is a business? People pay
23 money to board their dog there; correct?

24 A Correct.

25 Q I meant to ask you one other question earlier

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1 about the Grand Jury exhibits, the photographs.

2 MR. BROWN: By the way, I will circulate Grand
3 Jury's 5, the letter from Mrs. Pironi.

4 Q You described that when Peter Pistone said they
5 were going out to do a job, he expected that someone was
6 going to get beaten up?

7 A Correct.

8 Q Both based on what he told you and experience,
9 does one tend to wear gloves when going out to beat someone
10 up?

11 A If they -- if that's what their plan is, they may
12 wear gloves. Most people don't wear gloves for any specific
13 reason.

14 Q Well, let's start, first of all, in August, most
15 people don't wear gloves; correct?

16 A Correct.

17 Q Is it fair to say that in a fight, it is
18 sometimes helpful to wear gloves because you will cut up
19 your hands?

20 A Correct.

21 Q Secondly, when doing other types of crimes, it is
22 helpful to wear gloves so you don't leave prints?

23 A Correct.

24 Q Do you know what was on Louis's hands?

25 A Yes.

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1 Q What does he have on?

2 A Gloves.

3 Q You can see that in the photograph?

4 A Correct.

5 Q I wanted to talk to you about a couple of things
6 that you've done to corroborate Peter Pistone's information
7 concerning the murder of Louis Dorval.

8 First of all, you indicated that Peter Pistone
9 indicated he saw Joe Baldy holding a revolver over Louis's
10 body?

11 A Correct.

12 Q Can you describe to us the ballistics findings as
13 to the kind of bullet --

14 A Correct.

15 Q -- and the marks of the bullet on Louis's body?

16 A Yes.

17 Q What was that?

18 A They came out of a revolver.

19 Q You also told us about the bullet holes in the
20 toolbox. You found them in that toolbox; correct?

21 A No. We have not found those --

22 Q He told you holes?

23 A Holes? Sorry.

24 Q You found the holes?

25 A Yes. We found the holes.

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1 Q Here's something I'd ask you to explain. He
2 mentioned to you, that is Peter Pistone told you, that the
3 tailgate was broken on the car because Louis's body was so
4 heavy. It smashed the tailgate?

5 A Right.

6 Q What did he say they did concerning fixing that
7 up before they returned it to Joe Baldy's girlfriend?

8 A Peter was asked to drive his brother, Joe Baldy,
9 to an automotive shop in Brooklyn, where a friend of the
10 family then gutted the interior, as well as took the
11 tailgate off of the vehicle at that time.

12 Basically, he repaired it to hide the fact that
13 Louis's body was in that truck.

14 Q Have you spoken to Michelle, the woman who owned
15 the car, since its inception?

16 A Yes, we have.

17 Q Based on her knowledge, was that tailgate ever
18 broken in the way Peter described it?

19 A No.

20 Q She said the tailgate has never been broken --

21 A No.

22 Q -- that she knew?

23 A That she knew.

24 Q Have you since seized that car? Have you gotten
25 that car, the Blazer, from Michelle Fortus?

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1 A Yes.

2 Q Have you had that explained by an expert?

3 A Yes.

4 Q What did that explanation reveal concerning the
5 tailgate?

6 A That the dimples in the hinges -- when you remove
7 the tailgate, there's sort of a fixed hinge section that had
8 dimples on both sides, both hinges.

9 That would be consistent with a substantial
10 amount of weight being pressed on those hinges and the only
11 way it could have -- those hinges could have gotten like
12 that was if the straps gave way.

13 Q So in other words, your expert tells you that
14 that tailgate was broken in the way that Peter Pistone
15 describes; correct?

16 A That's correct.

17 Q Yet the owner of the car doesn't know that?

18 A Correct.

19 Q According to what Peter Pistone explained, was
20 there blood in this car after the murder?

21 A A substantial amount of blood. Louis was draped
22 over the back seat of the truck.

23 Q According to what Peter Pistone told you, what
24 steps were taken to clean that mess up?

25 A Yes. The interior of the truck was completely

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1 removed.

2 Q Did they return it to the owner with no interior?

3 A No. It was replaced with new interior.

4 Q Is it fair to say, Agent, that based on your
5 investigation, you know this crew to also be involved in a
6 number of frauds; correct?

7 A Correct.

8 Q Fair to say that there are other agents who have
9 been focusing on that end of the investigation?

10 A Correct.

11 Q Agent Schelhorn, have you told me everything you
12 know about the Galasso crew today?

13 A Not everything.

14 Q Is it fair to say that if the Grand Jurors had
15 additional questions, there might be more information you
16 could provide?

17 A Yes.

18 MR. BROWN: With that, I will ask you to step
19 outside.

20 (At this time the witness left the Grand Jury
21 room.)

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